

FISCAL NOTE

HB 2442 – SB 2859

January 23, 2008

SUMMARY OF BILL: Increases the minimum age requirement for an entertainer in an adult-oriented establishment from 18 to 21 years of age. In municipalities that regulate adult-oriented establishments, this bill creates minimum requirements for issuing an entertainer permit.

ESTIMATED FISCAL IMPACT:

Increase Local Gov't. Revenue – \$35,000/Permissive

Decrease Local Gov't. Revenue – \$3,700

Increase Local Gov't. Expenditures – \$30,000/Permissive

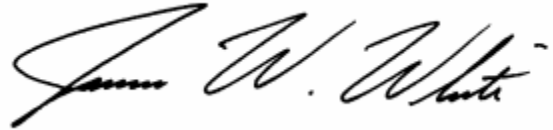
Assumptions:

- According to the Metropolitan Nashville-Davidson County Sexually Oriented Business Licensing Board, the percentage of entertainers between the ages of 18 and 21 in Davidson County is approximately 11%. According to the Municipality Technical Advisory Service (MTAS) and Metropolitan Nashville-Davidson County, only Davidson County currently licenses these entertainers. (Shelby County is in the process of implementing a licensing system but has not yet begun to do so.) Because a substantial portion of these entertainers do not currently work in municipalities with entertainer permit systems, the decrease in local government revenue from increasing the age requirement will be limited to Davidson County. Davidson County currently licenses approximately 300 entertainers with fees varying depending on whether it is a new application (\$50), renewal (\$100) or late renewal (additional \$50). Of this number, 11 percent or 33 entertainers will lose their license, and of that number, 25 percent (8) would have been subject to the late penalty. The reduction in revenue is \$3,700 $[(33 \times \$100) + (8 \times \$50) = \$3,700]$.
- The start-up cost to municipalities for establishing an entertainer permit regulation system will be \$10,000 per city. MTAS estimates that the start-up costs would be \$5,000. Davidson County estimates its annual licensing cost at \$15,000.
- Three additional cities will enact an entertainer permit system, at a combined cost of \$30,000.

- Seven hundred new entertainers will register annually state-wide (apart from 300 currently registered in Nashville).
- The annual registration fee will be \$50 per entertainer.
- Permissive local government revenue will increase by \$35,000.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/kmc